

Building for the New Normal: Recruitment Process Outsourcing (RPO) State of the Market Report 2021

September 2021: Complimentary Abstract / Table of Contents



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This report is included in the following research program(s):

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- ▶ Application Services
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Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: service providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

01

Robust definitions and frameworks

Function specific pyramids – Human Resource Outsourcing (HRO), RPO, Total Value Equation (TVE), capability-success matrix, and market maturity

02

Primary sources of information

Annual contractual and operational RFIs, service provider briefings and buyer interviews, web-based surveys

03

Diverse set of market touchpoints

Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership

04

Fact-based research

Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers

Proprietary contractual database of over ~3400 contracts (updated annually)

Year-round tracking of 28 service providers in the RPO market

Dedicated team for RPO research spread over two continents

Over 30 years of experience advising clients on strategic IT, business services, engineering services, and sourcing

Executive-level relationships with buyers, service providers, technology providers, and industry associations

This report is based on three key sources of proprietary information

- Everest Group's proprietary database of **~3,400 RPO deals** (updated annually)
- The database tracks the following elements of each RPO deal:
 - Buyer details including industry, location, and signing region
 - Deal details including ACV, term, start date, hires managed, primary pricing structure, process coverage, and geographic coverage (at country level)
 - Technology ownership and maintenance
 - Global sourcing
- Everest Group's proprietary database of **operational capability of 28 RPO service providers** (updated annually)
- The database tracks the following capability elements for each service provider:
 - RPO clients, revenue, service suite, and employees
 - Recent RPO-related developments (investments and partnerships)
 - RPO clients split by geography, industry, scope, and buyer size
 - RPO hires split by geography, source of hires, and type of hires
 - RPO delivery locations and level of offshoring
- Ongoing buyer surveys and interactions
 - Everest Group's executive interviews and data collection from RPO buyers
 - The data contains the following detailed buyer perspectives about RPO deals:
 - ◆ Drivers for adopting RPO and buyer-provider relationships
 - ◆ The level of buyer satisfaction and the underlying reasons

The analyses in this report are presented at two levels:

- Overall market analysis that highlights the market composition/dynamics
- The current market trends based on deal activity in the last five years

The sample size varies for different analyses based on the deal detail availability

Note: **The source of all content is Everest Group unless otherwise specified.**

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information we collect that is contract specific will only be presented back to the industry in an aggregated fashion.

Service providers assessed¹



Overview and abbreviated summary of key messages

This report examines the global 2020 Recruitment Process Outsourcing (RPO) state of the market and provides an overview of the impact of COVID-19 and subsequent recovery of the market. It focuses on the evolution of the RPO market so far and how the future trajectory of the industry is shaping up

Some of the findings in this report, among others, are:

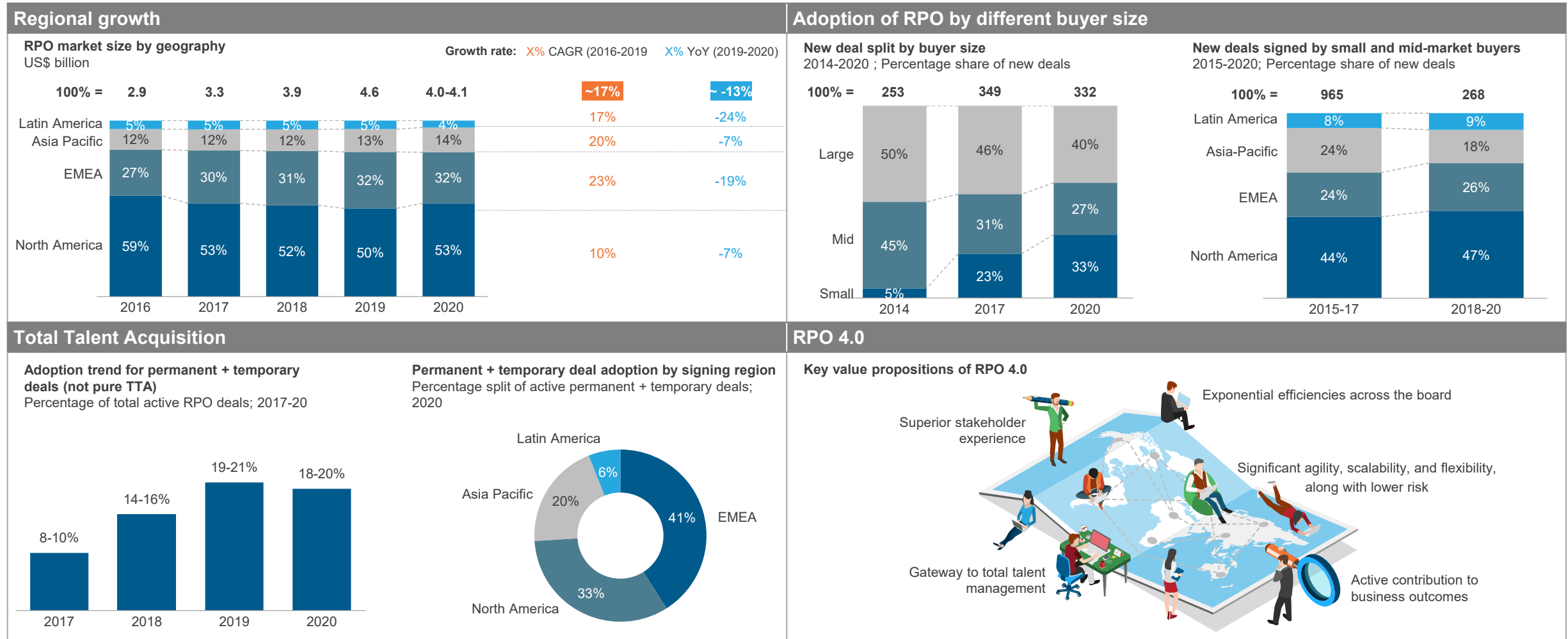
RPO adoption characteristics

- The market contracted by 13% in 2020, as the enterprises' talent demand decreased substantially during the pandemic
- Recruitment in certain job roles, especially technology and healthcare, proved to be more resilient
- Price variations will continue to widen across the spectrum of hires as multiple market forces push RPO prices in opposite directions
- Demand for cognitive automation solutions driven by AI, ML, and NLP increased as enterprises were focused on ensuring business continuity and cost reduction
- RPO providers are strengthening their Diversity, Equity, and Inclusion (DE&I) offerings to fulfill clients' expectations, as enterprises look to become more diverse and inclusive

Next-generation RPO trends

- Industry will evolve into RPO 4.0 – the next evolution for this sector that is expected to be more dynamic, more reliable, and significantly more agile in driving and shaping the client's next-generation talent needs
- RPO 4.0 will be enabled by Digital Capabilities Platform – an integrated platform with an ecosystem of tools and solutions covering the entire spectrum of talent acquisition processes
- Strategic value-added services, such as employer branding, talent community curation, and workforce planning, will become crucial as enterprises scramble to compete for the limited supply of talent
- To optimize their talent strategy for dynamic business environment, large enterprises may rebalance their RPO provider portfolio to have fewer but more strategic partnerships

This study provides a deep dive into the various dimensions of growth of the RPO market; below are four charts to illustrate the depth of the report



Research calendar

Recruitment Process Outsourcing (RPO)

Published Planned Current release

Flagship RPO reports

Release date

Recruitment Process Outsourcing (RPO) in North America – Service Provider Landscape with Services PEAK Matrix® Assessment 2020	June 2020
Navigating the Waves of a Global Pandemic: Recruitment Process Outsourcing (RPO) State of the Market Report 2020	October 2020
Recruitment Process Outsourcing (RPO) – Service Provider Landscape with PEAK Matrix® Assessment 2021	April 2021
Recruitment Process Outsourcing (RPO) – Service Provider Compendium 2021	June 2021
Recruitment Process Outsourcing (RPO) in North America Services PEAK Matrix® Assessment 2021	July 2021
Building for the New Normal: Recruitment Process Outsourcing (RPO) State of the Market Report 2021	Q3 2021
Outplacement and Career Transition Services PEAK Matrix® Assessment 2021	Q4 2021

Thematic RPO reports

Release date

Unlocking the Digital Potential in Talent Acquisition	January 2020
Impact of Recession on the Business Process Services (BPS) Industry	March 2020
Recruitment Process Outsourcing (RPO) in Europe: Charging Through Heterogeneity	September 2020
From Outplacement to Career Transition Services	February 2021
A Practical Approach to Total Talent Acquisition	February 2021
RPO 4.0	May 2021
Multi-country RPO	Q4 2021

Note: For a list of all of our published RPO reports, please refer to our [website page](#).



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